



THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3010



September 3, 1996

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARY OF DEFENSE (COMPTROLLER)
ASSISTANT SECRETARY OF DEFENSE (COMMAND,
CONTROL, COMMUNICATIONS, AND INTELLIGENCE)
GENERAL COUNSEL
INSPECTOR GENERAL
DIRECTOR OF OPERATIONAL TEST AND EVALUATION
DIRECTORS OF DEFENSE AGENCIES

SUBJECT: Prime and Subcontractor Relationships in the
Single Process Initiative (SPI)

My memorandum of December 8, 1995, provides guidance for making block changes to existing prime contracts. I would like to provide amplification of that guidance for dealing with specification and process changes for prime contractors that are also subcontractors to other contractors.

Prime contractors should be encouraged to identify, in their concept papers, candidate government contracts for change implementation on which they are subcontractors. When this occurs, the Management Council receiving the concept papers shall ensure the DoD program/project manager for every prime contract so identified is consulted as part of the technical review of the change by the component team leader. Prime contractors to which the requester is a subcontractor shall also be consulted. The review of the impact of the changes on these subcontracts and prime contracts shall occur concurrently with the normal block change review.

When the Management Council and the prime contractor to which the requester is a subcontractor agree on a change:

- If, as a consequence a government contract must be changed to modify a requirement, the Administrative Contracting Officer (ACO) may send the request for contract modification to the cognizant prime contractor ACO along with an assessment of costs or savings. The prime contractor ACO should modify the contract.

- If the government contract does not require modification because the requested subcontractor change is a prime contractor requirement only, the subcontractor should be advised to request the change from the prime contractor, without further DoD participation.

None of the actions taken by the ACO should in any way relieve a prime contractor of assuring its subcontractors meet the prime contractors' requirements.

A handwritten signature in cursive script, reading "Paul G. Kaminski". The signature is written in dark ink on a light-colored background.

Paul G. Kaminski